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Arizona Corporation Commission

BEFORE THE ARIZONA CORPORATION COMMISSION**DOCKETED**

AUG 20 2001

WILLIAM A. MUNDELL
Chairman
JIM IRVIN
Commissioner
MARC SPITZER
Commissioner

DOCKETED BY

*nae***DOCKET NO. S-03361 A-00-0000**

In the Matter of:

**PATTON'S EXCEPTIONS
TO PROPOSED ORDER**

CALUMET SLAG, INC.
GARRETH N. PATTON
JEFFREY G. CRAWFORD
MATTHEW E. HUNZINGER

Respondents.

The following facts were not controverted at the hearing in this matter:

A. Patton only spoke to about thirty (30) investors;

B. Patton put about 80% of the money received from the sale of CSI stock back
into the company; and

C. Atkins, Hurley, Delmonowski, and Hawash made most of the stock sales.

The remedy set forth in the Order is unfair and inconsistent. Either the investors want
to keep their investment in the slag pile, or they don't. If they want the investment, then why
should Patton be ordered to pay all their money back? If the investors truly believe they have
been defrauded, as the Securities Division contends, then the slag pile should be returned to
Patton, who believes that it, in fact, has value.


1 Patton now has the worst of all worlds. He does not have the slag pile. He does not
2 have the stock issued in exchange for the slag pile. And he does not have the money received
3 from the sale of the stock.

4 At the same time, the men who masterminded this debacle, Atkins and Hurley, are
5 running the company, which now owns the slag pile. This was all done with the Division's
6 blessings. The Division declared to the Commission that Atkins and Hurley did not take part in
7 the wrongdoing, and are fit to run the company and control investor funds.

8 If the purpose of this action was to protect the investors, then the Division should
9 prosecute everyone who violated the Securities Act. The Division's own witnesses purchased
10 their stock from Atkins, Hurley, Delmonowski and Hawash. pp. 19, 62-63, 78-79, 80-81, 81-
11 82, 114-116, 176-177, 186-187, and 227-229. It is not fair for Patton, who contributed the
12 main asset to the company, and who did not enjoy the benefit of the investor funds, to be forced
13 to incur the wrath of the Commission alone.

14 **RESPECTFULLY SUBMITTED:** August 20, 2001.

15 GUST ROSENFELD P.L.C.

16
17 By 
18 Michael Salcido
Attorneys for Respondent

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